



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

FEB 25 2005

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bruce Hironimus

Hummelstown, PA 17036-9156

RE: MUR 5645

Dear Mr. Hironimus:

On January 27, 2005, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). This finding was based on information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Factual and Legal Analysis, which more fully explains the Commission's finding, is attached for your information.

Please submit your answers, along with any additional factual or legal materials that you believe are relevant to the Commission's consideration of this matter, to the General Counsel's Office within 30 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Michael E. Toner  
Vice Chairman

Enclosures  
Factual and Legal Analysis

Procedures  
Designation of Counsel Form

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1 **FEDERAL ELECTION COMMISSION**  
2  
3 **FACTUAL AND LEGAL ANALYSIS**  
4

5 RESPONDENT: Bruce Hironimus

MUR: 5645

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9 **I. INTRODUCTION**

10 This matter was generated by the Federal Election Commission ("Commission") pursuant  
11 to information ascertained in the normal course of carrying out its supervisory responsibilities.

12 The available information indicates that Highmark, Inc. ("Highmark"), an insurance company  
13 based in Pittsburgh, Pennsylvania,<sup>1</sup> used corporate funds to defray \$52,303.59 in costs of  
14 fundraising events for Senator Rick Santorum's authorized committees and his leadership PAC.

15 The information indicates that this activity involved Bruce Hironimus, former Vice President for  
16 Government Affairs at Highmark. Mr. Hironimus used expense reports and check requests to  
17 authorize the use of corporate funds to pay the costs of the fundraising events. Some of these  
18 payments were approved by the supervisors of Mr. Hironimus, Executive Vice Presidents George  
19 Grode and David O'Brien. The activity occurred during the period 1999-2003.

20 As more fully set forth below, it appears that Bruce Hironimus consented to prohibited  
21 corporate contributions in violation of 2 U.S.C. § 441b(a). The available information also  
22 generates questions regarding the raising of contributions in connection with the Santorum events

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<sup>1</sup> Highmark is a non-profit corporation whose primary business is the provision of a variety of health insurance products throughout Pennsylvania. Highmark was created in 1996 by the consolidation of two Pennsylvania licensees of the Blue Cross and Blue Shield Association, Medical Service Association of Pennsylvania d/b/a Pennsylvania Blue Shield, and Veritus Inc. d/b/a Blue Cross of Western Pennsylvania. Highmark has a number of subsidiaries that sell a variety of insurance products nationally without using the Blue Cross Blue Shield brands. Highmark's website describes the company as one of the largest health insurers in the United States. See <https://www.highmark.com/hmk2/about/index.shtml>.

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1 with the possibility of additional section 441b(a) violations in the form of corporate facilitation.  
2 See 11 C.F.R. §§ 110.6(b)(2)(ii) and 114.2(f).

3 **II. FACTUAL AND LEGAL ANALYSIS**

4 **A. Highmark funds used to defray Santorum fundraiser costs**

5 The available information focuses on Bruce Hironimus's use of corporate funds to defray  
6 the costs of four fundraising events supporting Senator Rick Santorum:

Committee	Event	Date	Highmark funds spent <sup>2</sup>	Purpose
Santorum 2000	Golf tournament	5/14/99	\$15,148.79	Greens fees, carts, meals, beverages, prizes, handouts
Santorum 2000	Golf tournament	8/24/00	\$14,998.34	Greens fees, carts, meals, beverages, prizes, handouts
America's Foundation f/k/a Fight-PAC <sup>3</sup>	Golf tournament	5/17/02	\$14,217.65	Greens fees, carts, meals, beverages, prizes, handouts
Santorum 2006	Reception at the home of Stan and Gretchin Rapp	6/30/03	\$7,938.81	Catering, wine

7  
8 **1. The 1999, 2000 and 2002 golf tournaments**

9 Mr. Hironimus chaired the 1999, 2000 and 2002 golf tournament fundraisers at the  
10 Country Club of Hershey in Pennsylvania, where he was a member. As chair, Mr. Hironimus  
11 established the tournament "Host Committees"<sup>4</sup> and ran the tournaments. The information

<sup>2</sup> Each of these figures is the sum of multiple corporate payments

<sup>3</sup> This committee filed a Statement of Organization on September 1, 1995 under the name Fight-PAC, and an amended Statement of Organization on February 15, 2001, changing its name to America's Foundation. Public information sources identify America's Foundation as a leadership PAC of Senator Rick Santorum. See *The Almanac of Federal PACs, 2004-05*, page 622. A copy of an invitation to the America's Foundation fundraising event, from Bruce Hironimus dated March 28, 2002, describes the event as "an afternoon on the golf course in support of U.S. Senator Rick Santorum, America's Foundation Political Action Committee." The same individual, Barbara W. Bonfiglio, serves as treasurer of both America's Foundation and Santorum 2006.

<sup>4</sup> The term "Host Committee" appears to refer to individuals who solicit a number of other individuals to contribute to and attend the event.

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1 indicates that 50 to 60 people typically contributed \$1,000 each to a Santorum committee to play  
2 golf at these events, which were attended by the candidate.

3           The Highmark payments related to the three fundraising golf tournaments covered the  
4 costs of greens fees, carts, meals, beverages and so forth at the Country Club of Hershey. The  
5 payments also related to prizes and handouts such as golf clothing and equipment that were given  
6 to contributors who played in the tournaments.<sup>5</sup> Bruce Hironimus arranged these payments in  
7 two ways. First, he used check requests to cause Highmark checks to be issued to various  
8 vendors including the Country Club of Hershey. Mr. Hironimus himself had the authority to  
9 approve such check requests. The check requests describe the reason for the checks as  
10 “Promotional Items,” “Promotional Expenses” or “Private Business.”<sup>6</sup> The portions of the check  
11 requests relating to the 1999, 2000 and 2002 Santorum golf tournaments total \$27,699.53.  
12 Second, Mr. Hironimus used expense reports to obtain reimbursement from Highmark of  
13 expenses directly incurred by him such as charges made to his membership account at the  
14 Country Club of Hershey. These expense reports were approved by Mr. Hironimus’s supervisor  
15 at the time, George Grode, then-Executive Vice President for Government Business and  
16 Corporate Affairs. Expense reports describe expenses relating to a “Legislative Fundraiser,” a

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<sup>5</sup> The information shows that Mr. Hironimus would periodically purchase significant amounts of golf-related merchandise and clothing. Sometimes these items were purchased for specific purposes, such as prizes for political or charitable fundraising events. In other instances, the items purchased were intended for several purposes. These included the Santorum golf tournaments, charity golf fundraisers sponsored by Highmark, and for use as giveaways when people would visit Mr. Hironimus’s office or play golf with him.

<sup>6</sup> The term “Promotional” indicates that the costs should be charged against Mr. Hironimus’s budget’s “Promotions” line item; “Private Business” indicates that the expense is not to be charged against Highmark’s government programs. One check request contains a statement relating to a fundraising event: “Highmark sponsored event 5/19/00 ” This check request, however, is actually related to the August 24, 2000 Santorum golf tournament

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1 “Political Fundraiser,” and a “Sen. Santorum Event.”<sup>7</sup> Other expense reports describe expenses  
2 relating to “Promotional Expenses” or “Promotional Items.” The portions of the expense reports  
3 relating to the 1999, 2000 and 2002 Santorum golf tournaments total \$16,665.25.<sup>8</sup>

## 4 2. The 2003 Rapp reception

5 The fundraising event supporting Senator Rick Santorum during 2003 was a reception  
6 held at the home of Stan and Gretchin Rapp in Hummelstown, Pennsylvania. Highmark funds  
7 were used to pay for the catering and for wine. As he did with the Santorum golf tournaments  
8 described above, Bruce Hironimus used a check request and an expense report to obtain  
9 reimbursement from Highmark for the Rapp reception costs. The check request, which covered  
10 \$7,568.40 in catering costs, describes its purpose as “Promotional Expense” and “Private  
11 Business.” The expense report, which covered \$370.41 in wine costs, describes its purpose as  
12 “legislative mtgs” and “beverage for dinner events” was approved by Mr. Hironimus’s supervisor  
13 at the time, David O’Brien, Executive Vice President for Government Services. Mr. O’Brien  
14 stated in a contemporaneous handwritten note that bottles of wine were “donated to Rick  
15 Santorum (Senator) for a fund raiser in Harrisburg on 6-30.”<sup>9</sup>

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<sup>7</sup> The various descriptions appear in two places on the expense reports, most of which consist of two pages: on the first page in the “Business Purpose” field or on the second page in either the “Business Purpose” field or the “Name, Title, Company of Attendees” field.

<sup>8</sup> The available information includes several e-mail messages dating from May-June 1999 regarding the amount of documentation that Bruce Hironimus needed to provide for the expenses listed on his expense reports. The e-mail addresses indicate Highmark employees in “Finance” and other areas and Mr. Hironimus himself were involved in these communications. A message from Debra K. Lehman in Finance states that “[w]e will not be requiring detail information [sic] on the promotional items.” Ms. Lehman explains that because Mr. Hironimus’s “cost center does not get charged to any government programs . . . we do not need to document in as much detail.” Her message also states that Mr. Hironimus “has a unique responsibility with Highmark. It requires unusual purchases at times.”

<sup>9</sup> Mr. O’Brien’s note also explains that a portion of the wine purchased by Mr. Hironimus was used for a different event. Mr. Hironimus’s expense report included the cost of the entire purchase, \$449.79.

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1           **B.     Raising contributions for the Santorum events**

2           The available information also contains documentation regarding the raising of  
3 contributions for the four fundraising events:

- 4           • 1999 golf tournament: A one-page memorandum from Bruce Hironimus to the  
5 Executive Committee of Highmark PAC, dated May 6, 1999 requesting that  
6 Highmark PAC contribute to several candidates, including \$2,000 to Santorum 2000  
7 in connection with a “Golf Outing.”<sup>10</sup>
- 8           • 2000 golf tournament: An invitation titled “Please join U.S. Senator Rick Santorum”  
9 with the date,<sup>11</sup> time and location of the golf tournament and the price of \$1,000 per  
10 person. The invitation also contains a “Host Committee” list of fourteen individuals  
11 including Bruce Hironimus; George Grode; John S. Brouse, then-President and CEO  
12 of Highmark; and Stanley Rapp, host of the 2003 reception for Senator Santorum.  
13 This invitation may not be a complete document, however, because it contains no  
14 contact information. Included with the invitation is a copy of a photograph of five  
15 men posing with golf clubs with the title “Santorum 2000 – Country Club of Hershey  
16 August 24, 2000.”
- 17           • 2002 golf tournament: Letter titled “Golf Outing” from Bruce Hironimus as “Event  
18 Chair,” dated March 28, 2002, soliciting contributions in connection with the

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<sup>10</sup> Highmark PAC is Highmark’s separate segregated fund whose full name is Highmark Health PAC of Highmark Blue Cross Blue Shield. Highmark PAC contributed \$2,000 to Santorum 2000 on May 12, 1999. The available information does not indicate any corporate contributions directly related to Highmark PAC.

<sup>11</sup> The stated date of the event is May 19, 2000, the same incorrect date as that noted on another document addressed in footnote 6 above. The information identifies the event as taking place on August 24, 2000, consistent with other documentation such as the copy of a photograph accompanying the invitation, as noted below.

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1 tournament. The letter describes the event as “an afternoon on the golf course in  
2 support of U.S. Senator Rick Santorum, America’s Foundation Political Action  
3 Committee” and as “a fundraiser for Rick’s critically important political interests.”  
4 The solicitation asks for a “minimum of \$1,000 per golfer” and asks contributors to  
5 “send [their] checks and direct any questions for further information to Megan Martin,  
6 Post Office Box 545, Harrisburg 17108, telephone 717.236.0443.”<sup>12</sup> Finally, Mr.  
7 Hironimus’s letter contains an untitled list of twelve names down the margin,  
8 including George Grode.<sup>13</sup> Included with the invitation is a copy of a photograph of  
9 two men, apparently Bruce Hironimus and Senator Santorum, as the photograph  
10 contains the handwritten “To Bruce” with an illegible message and signed “Rick  
11 Santorum.” The photograph is titled “Santorum 2002 – Hershey Golf Club May 17,  
12 2002.”

- 13 • 2003 Rapp reception: Solicitation titled “Santorum 2006 Kick-off Reception” taking  
14 place at the home of Stan and Gretchin Rapp. The solicitation asks for “\$1,000 per  
15 person” and “\$10,000 raised per Host,” the latter of which are accorded a private  
16 reception. Two contacts are listed: Megan Martin at Greenlee Partners LLC and  
17 Nadine Maenza at Santorum 2006. The solicitation contains a disclaimer that it was  
18 paid for by Santorum 2006 and other information including that corporate  
19 contributions are not permitted.

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<sup>12</sup> The phone number is that of Megan Martin’s employer, Greenlee Partners LLC, an outside consultant that provides contract lobbying services to Highmark.

<sup>13</sup> The list also contains the names [first name illegible] Rapp, perhaps Stanley Rapp, and William D. Greenlee, the founder of Greenlee Partners LLC. Mr. Greenlee’s name also appears on the “Host Committee” list for the 2000 golf tournament

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1 This documentation regarding the fundraising portrays Bruce Hironimus and Megan Martin with  
2 substantial roles. Neither these documents nor the available information as a whole, however,  
3 describe the actual collecting and/or forwarding of contributions.

4 **C. Corporate Contributions**

5 The available information shows that corporate funds were used by then-Vice President  
6 Bruce Hironimus to defray the costs for fundraising events supporting Senator Rick Santorum.  
7 Thus, Highmark has made corporate contributions to Santorum 2000, Santorum 2006 and Sen.  
8 Santorum's leadership PAC, America's Foundation f/k/a Fight-PAC. *See* 2 U.S.C. § 441b(a).  
9 Mr. Hironimus, by arranging the contributions, consented to corporate contributions in apparent  
10 violation of section 441b(a). Accordingly, there is reason to believe that Bruce Hironimus  
11 violated 2 U.S.C. § 441b(a).

12 Although the available information focuses on the corporation's payments to defray the  
13 costs of Senator Santorum fundraising events, it also brings up questions regarding the raising of  
14 contributions in connection with these events. If corporate resources were used in this effort,  
15 Highmark officers may possibly be subject to a further basis for potential section 441b(a)  
16 liability. The prohibition against corporate contributions includes the facilitation of earmarked  
17 contributions by a corporation and its officers, directors, or agents. 11 C.F.R. § 114.2(f)(1).  
18 Examples of facilitation include directing subordinates to plan, organize, or carry out a  
19 fundraising project as part of their work responsibilities, using corporate resources and providing  
20 materials for the purpose of transmitting or delivering contributions, such as stamps, envelopes

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1 or other similar items.<sup>14</sup> 11 C.F.R. § 114.2(f)(2)(ii). In addition, corporations are prohibited  
2 from acting as conduits for contributions earmarked to candidates or their authorized committees.  
3 11 C.F.R. § 110.6(b)(2)(ii). Thus, a corporation collecting and forwarding earmarked  
4 contributions to a candidate would violate 2 U.S.C. § 441b(a) and 11 C.F.R. §§ 114.2(f) and  
5 110.6(b)(2)(ii) by facilitating the making of contributions and by acting as a conduit.

6 As described above, Bruce Hironimus's solicitation letter for the 2002 golf tournament  
7 asks contributors to send their checks to Megan Martin, an employee at Greenlee Partners LLC  
8 ("Greenlee"), a consultant to Highmark. Ms. Martin is also identified as a contact person on the  
9 solicitation for the 2003 reception. Further, Ms. Martin appears to have worked on the 2003  
10 reception: the \$7,568.40 catering invoice is addressed to her at Greenlee. Thus, the question is  
11 raised whether Highmark or Greenlee resources were used in connection with collecting and  
12 forwarding contributions and/or organizing fundraising events.

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<sup>14</sup> By contrast, corporate employees may make occasional, isolated or incidental use of the facilities of a corporation for individual volunteer activity in connection with a Federal election, although they must reimburse the corporation for increased overhead or operating costs. 11 C.F.R. § 114.9(a)(1).

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